

MICHIGAN COMMISSION OF AGRICULTURE AND RURAL DEVELOPMENT

**Geagley Laboratory, Gordon Guyer Room
1615 S. Harrison Road
East Lansing, MI 48823**

MEETING MINUTES NOVEMBER 10, 2016

PRESENT:

Fred Walcott, Chair, Michigan Commission of Agriculture and Rural Development
Bob Kennedy, Secretary, Michigan Commission of Agriculture and Rural Development
Diane Hanson, Past Chair, Michigan Commission of Agriculture and Rural Development
Ken McFarlane, Deputy Director, Michigan Department of Agriculture and Rural Development

ABSENT (EXCUSED):

Dru Montri, Vice Chair, Michigan Commission of Agriculture and Rural Development
Trevor Meachum, Past Chair, Michigan Commission of Agriculture and Rural Development

CALL TO ORDER AND ROLL CALL

Chairperson Walcott called the meeting of the Commission of Agriculture and Rural Development to order at 9:00 a.m. on November 10, 2016. Commissioner Kennedy called the roll with Commissioners Hanson, Kennedy, and Walcott, and Deputy Director Ken McFarlane present.

APPROVAL OF AGENDA

MOTION: COMMISSIONER KENNEDY MOVED TO APPROVE THE MEETING AGENDA FOR NOVEMBER 10, 2016. SECONDED BY COMMISSIONER HANSON. MOTION CARRIED.

APPROVAL OF SEPTEMBER 14, 2016, MEETING MINUTES

MOTION: COMMISSIONER HANSON MOVED TO APPROVE THE SEPTEMBER 14, 2016, MEETING MINUTES. SECONDED BY COMMISSIONER KENNEDY. MOTION CARRIED.

PROPOSED 2017 MEETING SCHEDULE

The Commission discussed proposed dates for their meetings to be held next year.

MOTION: COMMISSIONER KENNEDY MOVED TO APPROVE THE PROPOSED 2017 MEETING SCHEDULE AS PRESENTED. SECONDED BY COMMISSIONER HANSON. MOTION CARRIED.

The next scheduled meeting will be Wednesday, January 25, 2017, at Constitution Hall, 525 W. Allegan Street, Lansing, Michigan.

COMMISSIONER COMMENTS AND TRAVEL

Commissioner Hanson reported weather in the Upper Peninsula (UP) has been unseasonably warm, with a great deal of rain. Grain harvest is nearly complete and corn harvest has begun. Garden Peninsula bean farmers have issues due to the dry summer that, when the rain came, caused a second crop to sprout which may not have matured sufficiently. Although all commodity market prices are low, beef farmers are sending calves to market.

She attended the Hiawatha Land Farm Bureau annual meeting in October and the UP Potato Growers annual meeting last week.

Commissioner Kennedy reported weather has been warm and harvest is progressing well across the state. The Saginaw Valley area was wet in October, which hampered harvest somewhat. Yields have been good, in spite of the very dry weather in July, and the soybean crop is one of the best in several years. Those results demonstrate how genetics and farming practices improve yields in today's world. Corn is slightly below average overall, but is still better than had been expected. There is some vomitoxin in the region, but tests indicate reasonable levels and there is no discounting. In the southern region of Michigan, the disease is hitting harder and corn growers are facing discounts, as well as rejections at the ethanol plants; however, yields should help offset the discounts. Corn harvest is about 50 percent complete in the Saginaw Valley and about 15 percent remains on beans. The area could use a hard frost.

Commissioner Walcott reported their harvest is moving along nicely, having enjoyed the longest growing season in many years. Huge corn yields are reported, with just a touch of vomitoxin occasionally, and soybean yields are above average – although everyone is reporting low prices. Growers are looking forward to the upcoming deer hunting season.

Commissioners Hanson, Kennedy, and Walcott traveled to attend today's meeting. There was no other travel submitted for approval.

MOTION: COMMISSIONER HANSON MOVED TO APPROVE THE COMMISSIONERS' TRAVEL. SECONDED BY COMMISSIONER KENNEDY. MOTION CARRIED.

DIRECTOR'S REPORT

Deputy Director McFarlane advised the Director is currently on a trade mission in China. They are introducing Michigan food companies to the Chinese market and reports have been very positive.

The Director participated in the September 29 Michigan Rural Development Fund Board meeting held in Mackinaw City. Funding criteria were discussed in detail and ultimately approved. They plan to hold two meetings in the upcoming year to review projects and update criteria.

The Director and staff are participating in the 21 Century Infrastructure Commission efforts, which is at the point of meeting weekly to organize and refine the numerous recommendations submitted. A final package is anticipated in the near future.

The October 19 Employee Awards Ceremony was an excellent event that included a special message from Dr. Phil Knight from the Food Bank Council of Michigan. Fifty-four staff were eligible for service awards and 12 were recognized for over 30 years of service. Special congratulations went to winners of the Leadership Award, Cathy Martin; the Front Line Ambassador Award, Jeff Schaner; the Every Day Hero Award, Stevie Glaspie; and the Team Excellence Award, 32 staff who comprised the "Skimmer Team."

For the third year, the Director chaired the Canada-U.S. working group of the Tri-National Agriculture Accord. Twenty-three U.S. states attended the October 26-28 meeting in Ontario.

In response to inquiry from Commissioner Kennedy, Mr. McFarlane advised the Governor is also participating in the trade mission to China. The Director and Jamie Zmiko-Somers arrived a week early to focus on agriculture businesses.

GENERALLY ACCEPTED AGRICULTURAL AND MANAGEMENT PRACTICES (GAAMPs)
INTRODUCTION OF PROPOSED CHANGES: Jim Johnson, Director, and Wayne Whitman,
Right to Farm Program Manager, Environmental Stewardship Division

Mr. Johnson noted it is again time for review of the Generally Accepted Agricultural and Management Practices (GAAMPs). The Right to Farm (RTF) Act describes the GAAMPs as those practices as defined by the Commission of Agriculture and Rural Development and dictates the GAAMPs be reviewed annually by the Commission. Today, the proposed 2017 GAAMPs are presented for the Commission's review between now and the January meeting, with anticipated decision regarding the 2017 GAAMPs at that time.

Mr. Whitman noted Right to Farm was enacted in 1981, with the first interim guidelines for manure management added in 1987 to address conflicts and complaints. The Commission then turned to the university to develop standards. The Manure Management GAAMP was introduced in 1988, and there now are eight separate GAAMPs. Early every year, he contacts each of the GAAMPs chairs to determine if there have been any changes in research or technology, and to advise them of any legislative or regulatory changes. The chairs confirm committee membership and determine whether there is a need to reconvene their respective taskforce committee to consider potential adjustments. Typically, there are multiple meetings on Site Selection and Manure Management, while on the other end of the spectrum, Cranberry Production typically does not need to be changed.

Based on feedback from the 50-60 new site verification requests handled each year and the typically 150 new manure management complaints, those respective GAAMPs are adjusted. A Public Input meeting was held several weeks ago, during which no comments were provided. Six comments were received during the official open comment period, which were forwarded to the respective chairs. Nothing warranted any of the committees being reconvened.

For 2017, there are changes recommended for only three of the eight GAAMPs and they are provided in redline, strikeout mode for easy identification of recommended changes. These are relatively minor in terms of references and updates, and none are significant in terms of the practices themselves. The committee chairs will be on hand in January to

answer any technical questions the Commission may have before considering the 2017 GAAMPs for approval.

In response to questions from Commissioner Walcott, Mr. Whitman advised on the average, 60 percent of complaints are verified. Mr. Johnson added most of those verifications are based on lack of proper paper documentation. Mr. Whitman advised the Manure Management GAAMP does not require a manure management system plan; however, more and more farmers are recognizing it is a good tool to demonstrate they are meeting requirements of the GAAMP.

NURSERY INSPECTION FEE: Mike Philip, Plant Industry Specialist, Pesticide and Plant Pest Management Division

Mr. Philip advised 2012 revisions to the Nursery Law, Act 189 of 1931, authorize the Pesticide and Plant Pest Management Division (PPPM), with the Commission's approval, to increase nursery inspection fees based on current cost versus revenue and the Consumer Price Index (CPI).

In September, the Director received a memo from the State Treasurer indicating the CPI had increased by 0.8 percent and authorized the department to request of the Commission an increase in the hourly inspection fee from \$58 to \$59 per hour, with no change to the per-acre inspection fee. While approximately \$1 million in fees were received in Fiscal Year 2016, the actual program cost was in excess of \$3 million, clearly indicating current fees are not covering the entire cost of the program. It is estimated the fee increase will result in an estimated \$5,000 additional revenue for 2017.

Those affected by the increase are Michigan nursery dealers, exporters of plants and plant products, importers of foreign-source nursery stock, and other persons requesting inspections under special circumstances.

The proposed implementation date would be January 1, 2017, with an effective period through December 31, 2017. In October, PPPMD notified affected parties in writing of the proposed changes in fees to allow for comments prior to the Commission's consideration. Notification of the increased inspection fee adjustment and the effective period as approved by the Commission will include the adjusted fee schedule, implementation date, and effective period. Concurrently, the information will be posted on the department's website.

MOTION: COMMISSIONER KENNEDY MOVED TO APPROVE THE NURSERY INSPECTION FEE INCREASE AS PRESENTED. SECONDED BY COMMISSIONER HANSON. MOTION CARRIED.

DEPARTMENT SCORECARD YEAR-END REPORTS: Ken McFarlane, Deputy Director

Deputy Director McFarlane reviewed the department's Scorecard efforts for Fiscal Year 2016. He reported through the Strategic Excellence movement over the summer, outcomes are now truly measurable and indicative of what the department fundamentally accomplishes and can control.

From a Fundamentals Map standpoint, there are seven divisional maps, along with the Office of Communications map. From those 137 outcome measures, 40 are highlighted on

the Department Fundamentals Map and reflected on the Scorecard. These subsequently tie into the State Fundamentals Map.

Baseline measures are currently being established. In reviewing the current Scorecard, only three are in the red and need specific attention, the seven in yellow are being closely monitored, and the majority are green, indicating we are meeting those intended outcomes. Next year's efforts will begin to illustrate trending and be more indicative of the department's focus.

He reviewed several example Outcome Measures charts. With the target of 90 percent compliance, the Food Establishment Compliance measure increased from 62 percent in May of this year to 87 percent in September. The measure now focuses more on the items that can be fundamentally controlled.

Follow-up inspections are conducted on those establishments found non-compliant. Those have a target measure of 90 percent compliance, have historically fluctuated around that 90 percent, and increased to 94 percent in September.

Milk Safety Compliance has a target measure of at least 93 percent compliance. There has been an increase in the number of inspections and during the third quarter, there was 100 percent compliance. Data indicates compliance will not necessarily drop when more inspections are conducted.

This same type of informational graph exists for each of the 137 Outcome Measures. He advised Commissioners they could certainly feel free to contact the department's Executive Office if they ever have questions about a specific measure.

A considerable amount of work from all staff members led to where we are currently with the measures. A great deal more lies ahead to provide the continuous improvement that will adjust what we measure and how we measure it. Monthly Leadership Team meetings will continue to focus on one of the four key goals with discussion about how the Outcome Measures are working and will primarily drive change and improvement. Customer service is a hurdle the department has been facing when measurement is considered, and next year, a method will be developed to represent customer service in a meaningful, measurable way. From an internal efficient operations perspective, measures will be added for emergency management, Freedom of Information requests, and monitoring of the budget.

In response to inquiry from Commissioner Kennedy, Mr. McFarlane confirmed the Outcome Measures process has significantly improved departmental efficiencies. Although it was a huge operational change for staff, they are now focusing on the measures that matter to them. There have been numerous success stories and improvements that divisions thought could never happen.

RECESS AND RECONVENE

Chairperson Walcott recessed the meeting at 9:40 a.m. for a brief break. He reconvened the meeting at 9:55 a.m.

AGRICULTURAL PROCESSING RENAISSANCE ZONE FOR ZFS ITHACA, LLC: Peter Anastor, Division Director, Agriculture Development Division; Don Schurr, Greater Gratiot Development; and Brian Terborg, CFO, Zeeland Farm Services, Inc.

Mr. Anastor advised they are excited about a soybean project that will locate in the City of Ithaca for which the Commission is being asked to approve an Agricultural Processing Renaissance Zone (APRZ). He introduced Brian Terborg, CFO, and Eric Meeuwsen from Zeeland Farm Services (ZFS), and Don Schurr from Greater Gratiot Development, all of whom he has been working with on the project over the last several years.

Mr. Anastor reported ZFS Ithaca, LLC, is proposing to develop a site in Ithaca, Michigan, to construct a new soybean processing plant that will greatly increase the capacity for processing soybeans within the state. The company plans to invest approximately \$129 million for construction and the plant will have capacity to process 26-40 million bushels per year. As currently proposed, the project will include demolition and replacement of an existing onsite office, construction of grain shipping and receiving facilities, and a new grain elevator to receive, dry, and store grains that will support the grain processing facilities and other agricultural related entities located onsite. The project will create 74 new direct jobs.

Support for the project at the local level has come from the City of Ithaca and Gratiot County, which both passed resolutions for the approval of a 15-year Agricultural Processing Renaissance Zone (APRZ) on November 1, 2016, as well as North Star Township, which passed a resolution of support on November 2, 2016. The term of the APRZ would be January 1, 2017, through December 31, 2031, pending approval from the Michigan Strategic Fund and State Administrative Board.

Mr. Schurr reported the site had been identified as an original preferred renaissance zone site in 1996 and later designated as a permanent annexation to the city with a standing agreement to share taxation with the township. The multiple-parcel 435 acres have met approval by the City of Ithaca, with a concurrent resolution by the county and the township. His office serves as facilitator for economic development in the county and all comments received on this project have been extremely positive. They are very excited about the effect it will have on the regional price for soybeans. It is a great opportunity and they are looking forward to its completion.

Mr. Anastor advised additional incentives under consideration by the State of Michigan include Brownfield Tax Increment Financing, Freight Rail Economic Development support, and Transportation Economic Development Fund money. Great partnerships are collaborating to make this project a reality. In total, it represents a \$28.5 million incentive package.

The ZFS Ithaca project will have significant positive impact on Michigan's agricultural and food processing sector, including a dramatic increase in soybean crop per bushel price to growers. The increase is estimated to be 25-40 cents per bushel, with a direct benefit to producers estimated to be \$8-\$16 million more per year at the farm level across rural Michigan. Other important benefits are decreased soybean prices to Michigan livestock producers, an increase of soy protein exported from Michigan, and an increase in logistical and trucking services. The project will also have a positive impact on the City of Ithaca through job creation and significant utility infrastructure construction, which will facilitate

additional new business development. It fills an identified need for the State of Michigan, resulting in a substantial increase in value-added processing of one of our largest commodities.

Mr. Terborg reported at least eight different state agencies, the Michigan Department of Agriculture and Rural Development (MDARD) being foremost, have helped them reach this point in the project, all of which made a difference in their decision to locate here. ZFS Ithaca, which owns the site and will be building and operating the plant, is an affiliate of Zeeland Farm Services, Inc. (ZFS) and owned by the same family. They plan to build a large plant with capacity to process all Michigan soybean production for decades, with a 40-60 year forecast that will provide a beautiful legacy asset for the state. Currently only 10 percent of Michigan's soybeans are processed in state at a ZFS site in Zeeland. Because more will be produced than Michigan can consume, they expect to be an exporter, and will also tie in well with the Clemens Pork project to help meet their feed demand. They also plan to build a traditional receiving and storage grain facility, including capacity to transload other feed ration ingredients via rail to provide additional options for livestock feed with a central location.

Mr. Meeuwssen reviewed various visuals of the 435-acre site layout to display how numerous aspects of the project will look and operate once complete. Kurt Brauer, Attorney with Warner, Norcross and Judd, noted there are some wetlands scattered across the site. They are working with the Michigan Department of Environmental Quality to obtain permitting to allow for filling of manmade wetlands and onsite mitigation, as well as protection of an onsite eagle's nest.

In response to question from Commissioner Kennedy, Mr. Schurr advised they discussed a dual electrical feed, which might be added later. Because Gratiot County is also home to the state's largest wind farm, there have been substantial improvements to the grid in the area and capacity does exist to accommodate additional growth.

In response to comment from Commissioner Walcott, Mr. Terborg confirmed feed ration ingredient products would be off loaded via rail rather than by the current mode of truck transport, providing a cost advantage. Soybeans from elevators as close as 100 miles could be received on the short line instead of by truck.

Mr. Anastor reported because the project would significantly benefit the agricultural community, as well as provide multiple economic benefits, it is recommended the Michigan Commission of Agriculture and Rural Development approve the "Resolution for an Agricultural Processing Renaissance Zone for ZFS Ithaca, LLC" as presented.

MOTION: COMMISSIONER KENNEDY MOVED TO APPROVE THE AGRICULTURAL PROCESSING RENAISSANCE ZONE FOR ZFS ITHACA, LLC. SECONDED BY COMMISSIONER HANSON. MOTION CARRIED.

Mr. Terborg thanked the Commission for their support in working with ZFS to help bring this project to fruition.

ANIMAL INDUSTRY DIVISION OVERVIEW AND BOVINE TUBERCULOSIS UPDATE: James Averill, State Veterinarian and Division Director, Jim Bowes, Deputy Division Director, and Rick Smith, Assistant State Veterinarian, Animal Industry Division

Dr. Averill reported the mission of the Animal Industry Division (AID) is to protect, regulate, and promote animal health. Accomplishing that requires a partnership and is coordinated around AID's vision that public health, animal health and well-being, and animal industries are safeguarded through collaborative efforts and implementation of effective programs.

He reviewed the division's three-year strategic plan and the core values driving that plan. The five key areas include performing consistently in an unpredictable world, capitalizing on technology, innovating disease surveillance and response, providing and maintaining excellent customer service and relationships, and positioning AID as a leader on animal welfare regulatory issues. In addition, the division has worked to ensure their strategic plan stays aligned with Operation Excellence.

Meeting those goals is a big task as Michigan has over 35 million domestic animals. In order to accomplish this, they work in partnership with citizens, owners, farmers, academia, and government to ensure citizens of Michigan are protected, their food is safe, and wildlife are safe, all while ensuring it allows for a sustainable economy. Three key function areas comprise division activity. The first is reportable diseases, of which Michigan has over 140 within the authority of the State Veterinarian to oversee, update, and amend. The second component is animal disease traceability to confine outbreaks and minimize further transmission. The final AID function is licensing, with responsibilities that include markets, truckers and dealers moving livestock, and animal shelters.

AID has 56 full-time employees who help meet its daily mission. This includes 19 veterinarians, one veterinary technician, and many laborers and administrative support staff. AID's annual budget is approximately \$8 million, which is almost entirely state funds, as very little federal funding is received. Twenty-two diverse programmatic areas comprise the division, with subject experts to coordinate each area.

Dr. Mike VanderKlok is the Cattle Program Manager, which includes the bovine Tuberculosis (TB) Program. Without that program, Michigan's milk could not be sold. A more detailed overview of the Bovine TB Program will be reviewed later. Various other diseases are dealt with as well within this program.

Animal Disease Traceability and Markets Program Manager, Dr. Theresa Drysdale, coordinates the traceability activities, required health papers for interstate movement, licensing of truckers, dealers, and markets, and recordkeeping in both key areas.

Dr. Cheryl Collins oversees the Small Ruminants Program that includes the reportable disease function for cervids, sheep, and goats. The Cervid Program coordinates efforts around the National Chronic Wasting Disease (CWD) and Bovine Tuberculosis Programs and partners with the Michigan Department of Natural Resources (MDNR). The Sheep and Goats Program maintains consistency status with the National Scrapie Program, working very closely with U.S. Department of Agriculture (USDA) Veterinary Services staff.

The Swine and Aquaculture Program Manager is Dr. Steve Hussey. He oversees the licensing and reportable disease functions and also serves as AID's invasive species representative to address that both from an aquatic and terrestrial standpoint in coordination with multiple state agencies. He also manages monitoring to maintain the state's Pseudorabies Free Status for the swine industry.

Dr. Nancy Barr oversees the Poultry and Emergency Preparedness Program. Her job revolves around reportable disease functions to maintain status with the federal government on the National Poultry Improvement Program with Avian Influenza and Pseudorabies testing for exhibit birds. She recently assumed the Emergency Preparedness Program function and continues to enhance preparedness efforts around numerous foreign animal diseases, as well as natural or nuclear disasters.

The Equine and Companion Animals Program Manager is Dr. Michelle Schalow who works closely with Assistant State Veterinarian Dr. Nancy Frank. Dr. Schalow coordinates efforts around reportable diseases in cats, dogs, and horses.

Ms. Polly McKillop oversees the Animal Shelter and Animal Control Officer Program. It is solely a licensing and inspection function for the 190 shelters in the state. The program also works with animal control officers to ensure they meet requirements. From a general public standpoint, this program receives most of the division's concerns and complaints.

The division's Business Unit is coordinated by Financial Manager Diane Coon, and includes finance and technology sections. She ensures staff have the necessary resources to do their jobs effectively.

Mr. Al Rodriguez oversees the Compliance Unit, working closely with all program managers to deal with reportable diseases, licensure, and disease traceability. The unit investigates, holds administrative hearings, and assesses penalties.

Field Operations is coordinated by Dr. Jarold Goodrich, with 22 staff to oversee, 10 of whom are veterinarians. This is where the boots are on the ground to assist the programmatic functions. Staff also conduct outreach and education efforts, and Dr. Goodrich serves as the interface with fairs and exhibitions in Michigan, as well as interaction with private veterinarians.

In response to inquiry from Commissioner Walcott, Dr. Averill advised the only subcontracting with local veterinarians is for bovine TB testing. All county fairs are required by law to have a veterinarian available to address any animal health issues that arise.

Dr. Averill provided an overview of bovine TB in Michigan, noting it will demonstrate the progress that has been accomplished. In 1979, Michigan obtained TB Free Status, which held for over 20 years. In 1998, the first bovine TB affected cattle herd was found in Alpena County, which was three years after the finding of the disease in white-tailed deer. This, along with two other affected herds in 1998 and continuing into 1999, resulted in the entire state being downgraded and designated as a Modified Accredited Zone (MAZ) in June 2000. There are five classifications within the national TB Accreditation, with MAZ being the middle tier. By 2004, the Upper Peninsula was moved to Modified Accredited

Advanced (MAAZ) and then to TB Free Status in 2005, representing 18 percent of the counties. A split-state status was established across the Lower Peninsula, with the 11 northern counties remaining at MAZ and the lower 57 counties being elevated to MAAZ. The next big change was in 2011 when those 57 MAAZ counties were moved to TB Free Status, representing 87 percent of the state. The MAZ was shrunk to the four counties of Alpena, Alcona, Montmorency, and Oscoda, and the seven surrounding counties were elevated to MAAZ. In 2014, seven MAAZ counties were moved to TB Free Status. Today, four counties remain at MAZ, and 95 percent of Michigan is TB Free, which has been accomplished through the key pillars of AID's Bovine TB Program that surround surveillance, traceability, response to affected herds, compliance, and wildlife risk mitigation efforts.

This year, four affected herds have been found in Michigan and just recently, a feedlot was identified. The 63rd herd identified with bovine TB since 1998 was in Alpena County and is a beef herd primarily sold for custom slaughter. Herd #64 was in Oscoda County in a beef herd also in the custom slaughter business that had purchased calves from Alpena County, which became the 65th affected herd. At that point in time, Michigan was in violation of its Memorandum of Understanding (MOU) with USDA, which allows up to three affected herds in the rolling calendar year. Because of herds identified in 2015, Michigan had four affected herds within the designated time period and they began discussion with USDA. In August, herd #66 was identified in a large Alcona County beef cow/calf operation. Recently, an animal was identified at slaughter with lesions that traced back to a Huron County feedlot that quickly traced to two Presque Isle County herds. The feedlot is under quarantine, allowing only animals to slaughter under sealed trailers, as are the two Presque Isle County herds, until the whole herd tests are completed.

With four herds affected in the last 12 months, discussions have been ensuing with USDA and MDNR as to why that was happening. We feel the uptick in cattle herds is directly related to the almost three-fold increase in disease prevalence in the white-tailed deer in Deer Management Unit (DMU) 452, which is in the center of the four-county MAZ area. Working hypotheses include that the harsh winters of 2013-14 allowed more disease transmission as the white-tailed deer yarded up.

The increase in affected cattle herds is raising the question of what should be done differently with Michigan's program. Implemented in 2008 is the Wildlife Risk Mitigation Program (WRMP), which consists of biosecurity practices on operations. Minimum standards were placed in all 11 counties in northern Lower Michigan. Through years of monitoring and stakeholder conversation, an enhanced WRMP project was implemented in 2015 with a team-epi approach. The 120 farms in and around DMU 452 have been grouped into 13 clusters and visits to 17 farms have already been completed to review and enhance their biosecurity practices. This is a non-regulatory, community-based approach, and producers are realizing how the deer play an important part in transmission of the disease. This is expected to be the best method of further reducing the likelihood of cattle herds becoming infected.

However, USDA feels WRMP project plans are not sufficient. USDA advised they may do nothing about Michigan currently being out of compliance with the MOU, may closely monitor what is being accomplished with the WRMP project, or may downgrade our status.

Downgrading would increase the amount of testing required and further restrict cattle movement. At this point in time, we are able to detect the disease with the current surveillance tools in place. Dr. Jack Shere, the new Wildlife Veterinarian for USDA, will be visiting Michigan December 19-21 and during that visit, we will emphasize what Michigan has learned from a wildlife reservoir standpoint to address bovine TB.

In conclusion, AID does what it does every day to protect, regulate, and promote animal health in Michigan for its future generations and to ensure product is safe for consumers. Diseases will always be there and AID ensures they are ready to respond appropriately. Partners and stakeholders are integral to what the division accomplishes, and AID needs to stay vigilant and connected with them as technology and practices evolve.

In response to inquiry from Commissioner Hanson, Dr. Smith advised the first of the four herds included in the rolling 12-month period will drop December 22. Herds are under quarantine and will be tested as a result of the Huron County feedlot finding. Dr. Averill emphasized it is hoped that testing will not result in another positive herd.

Commissioner Walcott asked what designates a herd according to the MOU. Dr. Averill advised a herd is any grouping of cattle and it could be just one animal. Any herd identified, even if depopulated and the original herd tests are negative, will remain on the list for the full 12 months.

In response to questions from Commissioner Walcott, Dr. Averill advised the animals found at the custom slaughter operations were discovered through routine annual whole-herd testing required in the MAZ area, noting those operations have been fully compliant with the program, including WRMP. Surveillance testing is also required outside the MAZ, primarily in the counties adjacent to that zone. In the MOU with USDA, MDNR is required to sample 700 deer from each of the MAZ counties annually for a total of 2,800. Within the seven adjacent counties, 1,500 deer must be tested, with a minimum of 300 each from Presque Isle and Iosco Counties. Because deer testing is based on hunter submitted heads, MDNR is not always able to reach that number, but is making every effort to come as close as possible. This level of testing allows for evaluation of disease prevalence trending.

Dr. Averill thanked the Commission, advising there is a contact sheet included their materials and they can certainly feel free to call the division at any time with questions.

RESPONSE TO INTENTIONAL CONTAMINATION EVENT: Brad Deacon, Director, Office of legal affairs and Emergency Management Coordinator; Kristen Schweighoefer, Environment Health Director, Washtenaw County Public Health Department

Mr. Deacon introduced Kristen Schweighoefer from Washtenaw County Public Health Department. He reported today's presentation was delivered at Michigan's Premier Health Conference, the Food and Agriculture Protection and Defense Working Group, the Food and Agriculture Government and Sector Coordinating Conference in D.C., and this morning at the Michigan State Police Homeland Security Preparedness Committee. It is a good story that highlights the importance of collaboration at federal, state, and local levels, along with private sector. It is one of those worst-case scenarios being discussed in food defense groups over the last 15 years. Because it now happened, it is time to evaluate and share details.

On Sunday, April 24 of this year, an alert employee at the Ann Arbor Whole Foods store noticed a person spraying something on food and took prompt action to notify the manager. The store subsequently contacted the local police and intervened to remove all produce and salad bar items from commerce. Unfortunately, only limited samples were collected and the items were sent to landfill (not for feed or compost). Surveillance cameras captured the individual, who was later apprehended and charged.

On Monday and Tuesday, FBI and local hazardous materials staff made an onsite assessment, talked with employees, and took samples to the Michigan Department of Health and Human Services (MDHHS) laboratory. The County Emergency Operations Center was notified, who contacted the local County Public Health Department. Local health notified MDHHS and MDARD. MDARD notified the grocery industry.

On Wednesday, April 27, the first multi-agency call was held and initial screening results from the laboratory were received, indicating no evidence of select agents (those of high concern). MDARD had also visited the store and confirmed the risk of public exposure was very low, which helped much of the decision making.

Ms. Schweighoefer advised at this point, they were concerned about any employees who may have handled contaminated items, the fact items were ready-to-eat foods, and that it was a very popular grocery store. Given the information, they were confident all food was removed and discarded.

Mr. Deacon noted on Thursday, April 28, the State Police Intelligence Operations Center released an official-use-only bulletin with a picture of the individual. Under FBI advisement, it was shared with the grocery industry. An employee of another store recognized the suspect and contacted law enforcement.

On Sunday into Monday, May 1, the FBI released its own press release to the public with a picture of the suspect and local and national news coverage began pouring in, as well as tips. By Tuesday morning, the suspect had been identified and the FBI and local law enforcement arrested him at his apartment, which helped to calm fears of the public. He admitted to spraying mouse poison, hand sanitizer, and water in a solution at multiple locations, some identified and some not. This brought considerable reaction because they were trying to determine if he was credible, as the initial report indicated a potential mental health issue was involved. The FBI continued to investigate whether others were involved, was there a network, what was his background, where he had been, etc. That information helped the department know what locations to visit and to whom they should be talking.

Ms. Schweighoefer noted they were trying to determine health implications of the solution. Traditional mouse poison acts as an anti-coagulant. They considered symptoms consistent with an overdose of anti-coagulant and created a message for that target group. Further investigation by the FBI indicated the actual item purchased acts as a neurotoxin, which could be concerning. However, considering the size of people versus mice and what was known regarding the situation, they felt there still was a low risk to public health. MDHHS maintains a Syndromic Surveillance System – when a person presents to an emergency department, the chief complaint is logged which provides tracking of how many people

present with specific issues. They reviewed that system to determine if a spike of any unusual incidents in the areas in which he was known to operate existed; and in this case, there were none. This system provides a way to determine issues when people are not calling their local health department.

Mr. Deacon advised on May 3, MDARD staff, in coordination with the FBI, Governor's Office, and Washtenaw County Public Health, reiterated the key information and the core Health Alert Network message was issued to the state's medical world. Ms. Schweighoefer complimented MDARD and MDHHS on their quickly issuing the joint press release, which greatly enhanced response efforts and provided a consistent and clear message, which is so critical on these types of high-stakes incidents.

Mr. Deacon reported that by Tuesday night and Wednesday, MDARD field staff had visited all of the identified and potentially impacted area stores. No evidence of further issues was found. At this point, some illness complaints were being received and were forwarded to the local health department for follow-up. Coverage by the national news media began, with FBI as the primary spokesperson. Ms. Schweighoefer noted since the accused could have been in multiple communities over a period of time, they were reviewing all illness complaints over the last three months.

Mr. Deacon noted Thursday and Friday, May 5-6, brought additional complaints and thorough follow-up investigation. Many had no connection to the impacted stores. There continued to be multiple levels of law enforcement and emergency management coordination with numerous public health and food regulatory agencies to answer the multiple questions that arose and to collaborate on investigation.

In terms of lessons learned, this is a tremendous example of a dynamic, fast moving, and evolving situation where significant public health decisions have to be made with incomplete information. This brings a duty to warn the public and balance that with preventing panic and not compromising investigation. In terms of law enforcement, Mr. Deacon noted that Mark Davison from the FBI advised he begins with asking if it is a terrorist incident and works backward from there to extortion, retribution, or a prank, and whether it localized or bigger. Identifying the scenario is important, but it doesn't change the immediate reaction.

Mr. Deacon reported much went very well throughout the incident. The right people having worked on these types of issues through tabletop exercises and preparedness drills and other various training on a regular basis, as well as our Food Safety Alliance and Food Agriculture Protection Defense Group efforts, allowed for everyone to understand how the system operates and exactly who to contact when needed. Involving the various communications offices early on expedited public messaging. Also involving the grocery industry in the initial stages through after-hours contact information assisted the investigation. Multi-agency conference calls that efficiently reached all parties for quick consensus decision making were invaluable, as was the ability to quickly deploy field staff, who worked many hours into the night to complete initial investigations.

Areas that could be improved include laboratory involvement and turn-around time, internal communications (some were not notified and some did not receive updates), external

communications (some stores had not heard from corporate). In addition, larger and better samples would always be preferred. Worker and responder safety is always an issue and some “what ifs” should be considered. There could be a better sense of some of the industry practices to understand how quickly food turns around, etc. Additional risk communications training would also be helpful.

Naturally, many people want to know and receive updates, and in this case, we did a good job of keeping them informed without impeding decision making. Front line people in each agency were informed. There obviously was no time for meetings – the conference calls with key agency representation kept it brief, focused on the big decisions, and allowed for efficient objectives development.

In response to questions from Commissioner Kennedy, Mr. Deacon advised that being continually ready for these types of situations includes sharing information about actual incidents as an example and using lessons learned to ensure improvements are implemented, as well as continuing all of those efforts that lead to what went well.

PUBLIC COMMENT

No public comment on non-agenda items was requested.

ADJOURN

**MOTION: COMMISSIONER KENNEDY MOVED TO ADJOURN THE MEETING.
COMMISSIONER HANSON SECONDED. MOTION CARRIED.**

There being no further business, the meeting adjourned at 11:40 a.m.

Attachments:

- A) *Agenda*
- B) *Agriculture and Rural Development Commission Meeting Minutes September 14, 2016*
- C) *Draft Proposed 2017 Meeting Schedule*
- D) *Director Jamie Clover Adams – Issues of Interest Report*
- E) *Request for Approval to Increase Nursery Inspection Fees*
- F) *MDARD September 2016 Scorecard*
- G) *MDARD FY16 Scorecard Review Presentation*
- H) *ZFS Ithaca, LLC, Request for APRZ for New Facility in Ithaca*
- I) *Animal Industry Division and Bovine TB Update Presentation*
- J) *AID Contact Information*
- K) *Intentional Food Contamination: Multi-Agency Coordination Presentation*